

To the Members of the California State Assembly:

I am returning Assembly Bill 1333 without my signature.

This bill would require the legal owner of foreclosed residential rental property to, under certain circumstances, pay a utility service provider for service provided to tenants; permit a water or sewer utility service provider to file a lien on property to collect delinquent charges; and require these providers to report specified information on the liens to the Assembly and Senate Judiciary Committees.

I have already taken significant steps to provide needed protections to tenants during the foreclosure of their homes. For instance, I recently signed SB 1137, which, among other things, doubled the amount of time that tenants have to find a new home before they must vacate foreclosed property. This bill takes the wrong approach of potentially increasing the costs associated with foreclosed property by allowing utility liens for water and sewer, and allows utilities to benefit during a time of financial hardship for many property owners. This bill could further have an adverse economic impact on California as it may complicate and impede the sales of foreclosed property or result in more evictions upon sale of the foreclosed property. By requiring lenders and legal owners of foreclosed property to assume the responsibility for utility payments, this bill may increase the financial costs associated with buying foreclosed property. Finally, landlords must provide habitable housing, and therefore are already obligated to ensure tenants have access to water and sewer services.

For these reasons, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger